

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7851**

**BILL NUMBER:** SB 625

**DATE PREPARED:** Mar 17, 1999

**BILL AMENDED:** Mar 16, 1999

**SUBJECT:** Conservation district clean water program.

**FISCAL ANALYST:** Bernadette Bartlett

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**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill establishes the Clean Water Indiana Program and the Clean Water Indiana Fund, both of which are administered by the Division of Soil Conservation of the Department of Natural Resources (DNR), subject to the direction of the Soil Conservation Board. This bill describes educational, technical assistance, training, and cost-sharing programs supported by the program and the fund to help land occupiers and conservation programs reduce nonpoint sources of water pollution. This bill provides matching grants to districts for certain purposes and provides assistance to increase state technical and capacity building assistance to districts and local conservation efforts. Additional funds are available on a matching basis to a district that receives money from political subdivisions. The Division of Soil Conservation must submit an annual report to the Executive Director of the Legislative Services Agency concerning the program and the fund.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised) This bill allows the DNR Division of Soil Conservation to use money in the Clean Water Indiana Fund to increase technical assistance in local conservation efforts; to assist land occupiers in complying with environmental laws; to qualify for federal matching funds for county soil survey computerization; to provide cost-sharing programs to implement conservation practices; to provide matching grants to employ local professionals; and to increase state technical and capacity building assistance to districts and local conservation efforts.

This proposal will result in additional administrative expenses for the Division of Soil Conservation. The legislation proposes new or expanded activities that would require additional personnel to implement. The proposal contains a cost-sharing program which would require the development of protocols for distribution of the funds, the development of a tracking system, and work with landowners by Division employees. The bill also provides for matching grants that would be administered by the Division. Grant award protocols would also need to be developed and approved, an additional tracking system established, and Division staff

would need to evaluate and process applications and disseminate grants. The Division is also required to provide an annual report on the Clean Water Indiana Program to the Legislative Services Agency each year.

The DNR will need to hire a PAT 2 level administrator and a COMOT 4 level clerical staff person to coordinate and administer the cost-sharing and matching grants programs outlined in the proposal. Personnel costs including fringe benefits for the two positions are estimated at \$66,000 annually. In addition, other DNR staff would need to devote time to implement the above as follows:

ENS4 Natural Science Manager	10%
ENS6 Natural Science Managers (3)	20%
ENS6 Natural Science Managers (3)*	15%
2WN2 Administrative Assistant	25%
1NS1 Natural Science Managers (6)	30%
1IA2 Natural Science Managers (43)	15%

\*2 of these positions are contracted with Purdue University

Implementation of the grants and cost-share programs would become a high priority for the Division. Existing work priorities would be reconsidered so that the programs could be implemented. The estimated value of the time committed by existing personnel, based on the anticipated percentages of their time indicated, would be approximately \$722,559 (including fringe benefits).

The expenses of administering the programs are to be paid from money in the fund. However, the bill does not appropriate money to the fund. The funds and resources required could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. (As of 2/26/99, the DNR had 1,451 positions that were vacant. However, this total included both permanent and intermittent employees.) Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The proposal contains no appropriation.

**Explanation of State Revenues:** (Revised) This bill establishes the Clean Water Indiana Fund. The fund consists of appropriations from the General Assembly and donations, grants, and money received from any other source. Money in the fund at the end of the fiscal year does not revert to the State General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Local soil and water conservation districts would be able to participate in cost-sharing programs and receive grants. Districts may receive \$1 from the state for every \$1 that the district receives from a political subdivision. A district, however, may not receive more than \$10,000 annually. Local units might also be able to use money from the fund to qualify for federal matching grants for county soil survey computerization.

**State Agencies Affected:** Department of Natural Resources.

**Local Agencies Affected:** Soil and Water Conservation Districts.

**Information Sources:** Jim Ray, Chief, Division of Soil Conservation, DNR (317) 233-3871.